

23 February 2023

IGas Energy plc (“IGas” or “the Company”)

Trading and Reserves Update

IGas (AIM: IGAS) issues the following trading and operations update in advance of the Company's full-year 2022 results, which are scheduled for release on 30 March 2023. The information contained in this statement has not been audited and may be subject to change.

Chris Hopkinson, Interim Executive Chairman, commented:

“2022 has been a year of change and refocus for the Company as we optimise our existing onshore assets to better position ourselves for a lower carbon future.

Commodity prices remained strong during the period with a resulting positive impact on income and cash generation from our underlying oil and gas assets, enabling us to halve our net debt to £6.1 million (2021: £12.2 million).

We made up for significant falls in production in H1 due to equipment failures to finish the year in line with expectations, at 1,898 boepd. The Q4 production drive ensured that wells, plant and equipment had the maximum uptime. As we move into 2023, our focus will be on maintaining and increasing production on our more profitable fields, whilst attempting to drive down costs across the portfolio.

We have made significant progress during the year in bringing our vision for decarbonisation of large-scale heat using geothermal energy, in the UK, closer to fruition. We have been working closely with Government, academia and commercial partners to accelerate support for and understanding of this proven technology.”

Operational Highlights

- Net production, averaged 1,898 boepd for the year, heavily impacted in the first half by equipment failure caused by supply chain issues
 - A production drive was initiated in October leading to a strong recovery in H2 resulting in peak production (averaged across 5 days) of 2,432 boepd and December production averaged 2,221 boepd (net to IGas)
- We anticipate net production of c.2,000 boepd and operating costs of c.\$41/boe (assuming an exchange rate of £1:\$1.25) in 2023
- Underlying operating costs for the year were c.\$41/boe (at an average 2022 exchange rate of £1:\$1.24)
- Planning conditions now fully discharged for the drilling of a well in the Corringham field with EA permits anticipated imminently. The development of the Corringham project has enabled the conversion of 350 mbbls 2C resources to 2P reserves as reflected in 2022 CPR with anticipated incremental production of c. 100bbls/d
- Planning application for Glentworth was submitted and validated by Lincolnshire County Council Phase I – potential for additional 200 bbls/d
- Green Heat Network Fund Investment Committee meeting delayed – funding decision now expected in the next few weeks

Reserves Update

Key highlights from the Competent Persons Report (CPR) carried out by DeGolyer & MacNaughton (D&M).

IGas Group Net Reserves & Contingent Resources as at 31 Dec 2022 (MMboe).

	1P	2P	2C
Reserves & Resources as at 31 Dec 2021	10.57	15.79	20.34
Production during the period	(0.68)	(0.68)	-
Additions & revisions during the period	1.28	1.93	(1.64)
Reserves & Resources as at 31 Dec 2022	11.17	17.04	18.72

**Oil price assumption of c.\$75/bbl for 5 years, then inflated at 2% p.a. from 2031 (capped at £118/bbl)*

1P NPV10 of \$144 million(2021: \$139 million): 2P NPV10 of \$215 million (2021: \$190 million)*

The full report will be uploaded to <https://www.igasplc.com/investors/publications-and-reports>

Financial Highlights

- Cash balances as at 31 December 2022 were £3.1 million with net debt of £6.1 million
- Net cash capex of £7.9 million in 2022
- Successful RBL redetermination confirming \$17.0 million (£14.0 million) of debt capacity
- 50,000 bbls currently hedged for H1 23 at an average swap price of \$94.8/bbl
- Minimal Energy Profit Levy impact for 2022 due to available capital allowances
- Ring fence tax losses at 31 December 2022 were c.£260 million

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

Ross Pearson, Technical Director of IGas Energy plc, and a qualified person as defined in the Guidance Note for Mining, Oil and Gas Companies, March 2006, of the London Stock Exchange, has reviewed and approved the technical information contained in this announcement. Mr Pearson has 22 years' oil and gas exploration and production experience.

For further information please contact:

IGas Energy plc Tel: +44 (0)20 7993 9899
Chris Hopkinson, Interim Executive Chairman
Ann-marie Wilkinson, Chief Communications Officer

Investec Bank plc (NOMAD and Joint Corporate Broker) Tel: +44 (0)20 7597 5970
Virginia Bull/Chris Sim

Canaccord Genuity (Joint Corporate Broker) Tel: +44 (0)20 7523 8000
Henry Fitzgerald-O'Connor/James Asensio

Vigo Consulting Tel: +44 (0)20 7390 0230
Patrick d'Ancona/Finlay Thomson/Kendall Hill

Glossary

£ The lawful currency of the United Kingdom
\$ The lawful currency of the United States of America
1P Low estimate of commercially recoverable reserves
2P Best estimate of commercially recoverable reserves
3P High estimate of commercially recoverable reserves
1C Low estimate or low case of Contingent Recoverable Resource quantity
2C Best estimate or mid case of Contingent Recoverable Resource quantity
3C High estimate or high case of Contingent Recoverable Resource quantity
AIM AIM market of the London Stock Exchange
boepd Barrels of oil equivalent per day
bopd Barrels of oil per day
GIIP Gas initially in place
MMboe Millions of barrels of oil equivalent